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REMARKS

In response to the Office Action dated December 12, 2007, claims 1, 6, 8, 15, and 21 are amended. Claims 4, 9-10, and 16-17 were previously cancelled without prejudice. Claims 1-3, 5, 6-7, 11-15 and 18-25 are now active in this application. No new matter has been added. Claims 1, 15, 20, and 21 are independent claims.

As a preliminary matter, Applicants note that the Office Action Summary, form PTOL-326, does not acknowledge the Applicants' claim to foreign priority, and that all certified copies of the priority documents were received. A claim of priority with a certified copy of the priority document was filed with the application on April 13, 2004. Thus, Applicants request that the next Office Action check the box 12), the box a), and the box 1. on the form PTOL-326 (or equivalent boxes on a Notice of Allowability form), in order to clarify the written record by fully acknowledging Applicants' priority claim.

Claims 1-3, 6-8, 11-15, 18-23, and 25 are rejected under 35 U.S.C. § 103(a) as allegedly unpatentable over Hirose (U.S. 4,479,049) in view of Jones et al. (U.S. 6,138,402). Applicants traverse this rejection.

Claim 5 is rejected under 35 U.S.C. § 103(a) as allegedly unpatentable over Hirose in view of Jones and further in view of Guibord et al. (U.S. 4,340,150). Applicants traverse this rejection.

Claim 24 is rejected under 35 U.S.C. § 103(a) as allegedly unpatentable over Hirose in view of Jones and further in view of Yokimoto et al. (U.S. 5,605,214). Applicants traverse this rejection.

Independent claim 1 recites, in part:

> a management module that manages information on the transaction process with respect to each banknote, wherein:

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a) the management module manages banknote source data having transaction information upon insertion of a banknote or having sources of respective banknotes stored in **said reject box, said counterfeit collection box, or said banknote storage box,**

b) the management module changes the relationship between said transaction information and banknote storage, counterfeit collection, and reject boxes when a banknote is conveyed from one box to another,

c) the management module generates source data of each inserted banknote with each banknote, the source data including transactor information for identifying a transactor responsible for each transaction process,

d) the management module manages the banknote source data of each banknote stored in the banknote storage box and counterfeit collection box, in each unit of banknotes with respect to each box, including the banknote storage box and the counterfeit collection box,

e) during the money-in process, the management module allocates the source of each inserted banknote to the banknote storage box or to the counterfeit collection box that the inserted banknote is stored in,

f) **when the banknote fed from the banknote storage box is determined as counterfeit as is conveyed to the counterfeit collection box during the money-out process, the management module updates the source data of the banknote determined as counterfeit so as to allocate the source data from the banknote storage box to the counterfeit collection box.**

In other words, in claim 1 genuine banknotes are collected in a banknote storage section, counterfeit banknotes are collected in a counterfeit collection box, and banknotes found to be neither genuine banknotes are no more counterfeit banknotes are stored in a reject box. Thus, deposited banknotes are divided into three types.

In order to establish *prima facie* obviousness under 35 U.S.C. § 103(a), all the claim limitations must be taught or suggested by the prior art. Further, "rejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *In re Kahn*, 441 F. 3d 977, 988 (Fed. Cir. 2006). At a minimum, the cited prior art references do not disclose (expressly or inherently) or suggest the above recited highlighted (bolded) elements.

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The Office Action, at pages 3 and 4, asserts that all the elements of amended independent claim 1 are allegedly disclosed by the combination of Hirose and Jones. Specifically, the Office Action, at page 3, asserts that Hirose allegedly discloses a counterfeit collection box at element 64. However, element 64 of FIG. 2 of Hirose is merely a second safe section, as discussed at column 4, lines 54-58 of Hirose. There is no mention in Hirose of determining that a banknote is counterfeit, and then conveying the counterfeit banknote to a counterfeit collection box, as required by amended independent claim 1.

Rather, Hirose is intended to provide a banknote transaction apparatus capable of using deposited banknotes as banknote to be withdrawn. Upon withdrawal, acceptable notes are withdrawn and unfit notes are collected in a collecting box 29 (see column 8, line 25 to column 9, line 19). Upon deposit, acceptable notes are collected in temporary collecting sections 25 to 27, depending upon the types of the notes, while unfit notes are collected in a temporary collecting section 28. The acceptable notes are then stored in safe sections 63 to 65. The unfit notes are conveyed from the temporary collecting section 28 to a banknote receiving section 12 to be returned to the user. The unfit notes are described as the ones that are badly soiled, or worn out, or of different kinds. Thus, there is no mention of "a counterfeit banknote" in Hirose.

Additionally, the Office Action, at page 4, asserts that Jones allegedly discloses a control unit (34) that controls a management module (30) for managing information, citing column 18 at lines 39-46. However, Jones, at column 18, lines 39-51, merely states:

> ... it is understood that 2 or more CPUs and/or EPROMs could be used, including one CPU for making first characteristic information comparisons and a second CPU for making second characteristic information comparisons. Using the above sensing and correlation approach, the CPU 30 is programmed to count the number of bills belonging to a particular currency denomination whose genuineness has been verified as part of a given set of bills that have been scanned for a given span batch, and to determine the aggregate total of the currency amount represented by the bills stand during a scan batch.

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Jones discloses separately stored genuine, counterfeit, and identified bills in verified deposit container, suspect bill canister, and no call canister respectively (see FIG. 1e and column 9 at line 52. In the Jones system provides two options, to return both the counterfeit and unidentified bills to be customer, or to not return them to the customer. As to management of the source data of banknotes, it appears that the Office Action interprets that the source data includes a transaction record ID and transactor information comprising an account number and an employee number. The Office Action may be referring to column 9, at lines 39-46, describing step 10b of FIG. 1d, wherein at the start of a transaction, a customer inserts an identification card in to the ATM so that the customer's number is stored.

Therefore, Jones fails to teach or suggest, **"when the banknote fed from the banknote storage box is determined as counterfeit as is conveyed to the counterfeit collection box during the money-out process, the management module updates the source data of the banknote determined as counterfeit so as to allocate the source data from the banknote storage box to the counterfeit collection box,"** as required by claim 1.

Thus, at a minimum, the combination of Hirose and Jones fails to teach or suggest the forgoing element, and therefore claim 1 is allowable over the cited art.

Further, and the other cited references do not remedy the deficiencies of Hirose and Jones. For example, Yukimoto, at column 1, lines 17-22, merely states, "some of such serving machines including automatic vending machines and money exchanging machines are installed with such a banknote process or which can discriminate between authentic and falls banknotes inserted into the process or and can sequentially accumulate the banknote regarded as authentic ones". The Office Action refers to this mention of "sequentially accumulates" and states that Yukimoto teaches managing the source data with a banknote number sequentially allocated to

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each banknote. However, Yukimoto merely indicates that and military guarded as authentic ones (separately from falls banknotes and parentheses are sequentially accumulated. Yukimoto does not teach or suggest sequentially allocating a number to each banknote and changing the banknote number allocated to the banknote upon the movement of the banknote.

Additionally, Applicants submit that independent claims 15, 20, and 21 are allowable for reasons similar to claim 1.

Under Federal Circuit guidelines, a dependent claim is allowable if the independent claim upon which it depends is allowable because all the limitations of the independent claim are contained in the dependent claims, *Hartness International Inc. v. Simplimatic Engineering Co.,* 819 F.2d at 1100, 1108 (Fed. Cir. 1987).

Thus, as independent claims 1, 15, 20, and 21 are allowable for the reasons set forth above, it is respectfully submitted that dependent claims 2-3, 5-8, 11-14, 18-19, and 22-25 are allowable for at least the same reasons as their respective base claims.

Accordingly, it is urged that the application, as now amended, is in condition for allowance, an indication of which is respectfully solicited. If there are any outstanding issues that might be resolved by an interview or an Examiner's amendment, Examiner is requested to call Applicants' attorney at the telephone number shown below.

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To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is

hereby made. Please charge any shortage in fees due in connection with the filing of this paper,

including extension of time fees, to Deposit Account 500417 and please credit any excess fees to

such deposit account.

Respectfully submitted,

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